

FDI in courier services

*330. DR. K. MALAISAMY: Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

- (a) whether there is any move enabling the entry of foreign couriers in a big way like DHL/FEDEX;
- (b) if so, would it be a wake up call to Indian Postal System or it would just kill the Indian Postal System;
- (c) whether there is any proposal envisaged to involve CAP, FDI in courier services; and
- (d) if so, the reasons for such initiatives and its positive and negative implications in an objective way?

THE MINISTER OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI DAYANIDHI MARAN): (a) Yes, Sir. Entry of foreign couriers is subject to the extant Policy on foreign Direct Investment and the Sectoral Policy Guidelines issued by the Ministry of Commerce & Industry, Department of Industrial Policy & Promotion.

(b) Indian postal system is geared up to meet the challenges. In fact volume of both inbound and outbound international Expedited Mail Service and parcel service show a steady increase.

(c) The extant policy of the Government is to allow 100% FDI in Courier Services for carrying packages, parcels and other items which do not come within the ambit of the Indian Post Office Act, 1898, that provided exclusion of activity relating to distribution of letters, which is reserved exclusively for the State.

(d) The positive aspects of the extant policy include wider choice to the customers, alongwith increased efficiency and improvement in the quality of service. Negative aspects include possible violations of the provisions of Indian Post Office Act, 1898, and decrease in market share.